

AFFIDAVIT

Complainant: Michael J. Shelton
426 Partridge Circle
Sarasota, FL 342346

Respondent: Jan Schneider, Esq.
Schneider for Congress
487 Meadowlark Drive
Sarasota, FL 34236
Jan Schneider, Treasurer
C00374751

MUR # 5350

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
2003 FEB 24 A 11:52

Date: February 21, 2003

In mid-June 2002, I went to work for Jan Schneider who was a candidate for Congress from the 13th Congressional District of Florida. During the entire time of my involvement with Ms. Schneider, I was a full time volunteer who was solely responsible for the daily operations of the campaign. Furthermore, I was given complete and absolute authority to make expenditures and approve payment of the same subject to checks being written by the campaign treasurer, Carroll Johnson. At no time during my association with the campaign was my authority to approve expenditures ever questioned or denied by Ms. Schneider or the treasurer. In fact, at a meeting in mid-October, I was instructed by Ms. Schneider to take whatever actions I thought best and expend whatever funds were necessary. This statement was made in the presence of Ms. Schneider's campaign manager, Marilyn Harwell (1507 Clower Creek Drive, Sarasota, Florida 34231), as well as one of her advisors, Allen McReynolds (PO Box 6013, Sarasota, FL 34278). Ms. Schneider further told me that she would be loaning the campaign an additional \$10,000.00 shortly and that I should anticipate having these additional funds available for campaign use. On Friday, November 1, 2002, due to a difference in opinion concerning campaign strategy, I resigned from the campaign. Ms. Schneider's campaign was not a separate legal company, but was operated under her name individually and without the legal protection of a separate business entity.

I have now had an opportunity to review Ms. Schneider's campaign finance reports and am very concerned about several apparent irregularities. The discrepancies are as follows:

1. The reports as filed fail to list an outstanding debt due Jason McIntosh. Mr. McIntosh was an independent contractor recruited by Ms. Schneider personally and retained by the campaign during the final two weeks prior to the November election. According to Mr. McIntosh, he is owed approximately \$5,000.00 for expenses incurred during his work for the campaign. Ms. Schneider's refusal to reimburse Mr. McIntosh for legitimate expenses may amount to her accepting an illegal campaign contribution from Mr. McIntosh well in excess of the legal limits. Mr. McIntosh resides at 5801 N. Broadway, Suite 101, Oklahoma City, OK 73108

2. The reports as filed fail to list an outstanding debt due Janet Hall. Ms. Hall was an independent contractor retained by the campaign to provide political services in Washington, DC. According to Ms. Hall and her attorney, she is owed approximately \$15,000.00 for expenses incurred for legitimate services rendered pursuant to a written contract executed by Ms. Schneider. Ms. Schneider still refuses to pay Ms. Hall and it would appear that this indebtedness should be listed on her campaign reports. Ms. Hall has retained the services of legal counsel and she may be reached through her attorney, Robert B. Sonenthal, Esq., Sonenthal & Overall, P.C., 1120 Nineteenth Street, NW, Suite 600, Washington, DC 20036 (202) 785-0227. Please see a copy of the enclosed demand letter.
3. The report lists approximately 13 contributors who gave donations of \$2,000.00 in a single contribution, of which all but one were received prior to the primary election. Pursuant to instructions from Ms. Schneider, the preparers of the reports, to include myself, were told to list the contributions as two (2) separate \$1,000.00 contributions (\$1,000.00 for the primary and \$1,000.00 for the general). However, when asked for the documentation from the contributors directing the campaign to apply the funds as such, Ms. Schneider always said to me that she had it and not to worry. Having worked extensively with Ms. Schneider and knowing the fact that she refused on several occasions to produce the documentation, I am of the opinion that the documentation may not exist and as such, the contributions exceed the \$1,000.00 limit per election cycle per individual. Ben Kirby (address unknown), Ms. Schneider's former campaign manager as well as Carroll Johnson, the former treasurer, can both verify her instructions.

Several, but not all, of these contributors are listed hereinafter:

A.	Barbara Pearl	\$2,000.00 contribution on November 5, 2002.	
B.	Shahala Arbabi	\$2,000.00 contribution on June 20, 2002	
C.	Joseph Kalish	\$2,000.00 contribution on June 25, 2002	(Relative)
D.	Lynn Kalish	\$2,000.00 contribution on June 25, 2002	(Relative)
E.	Josh Trainor	\$2,000.00 contribution on July 10, 2002	(Relative)
F.	Dr. Elahe Mir-Djalali	\$2,000.00 contribution on May 31, 2002	
G.	Katherine Schneider	\$2,000.00 contribution on June 25, 2002	(Relative)
H.	Samuel Schneider	\$2,000.00 contribution on June 25, 2002	(Relative)
I.	Seth Schneider	\$2,000.00 contribution on June 27, 2002	(Relative)
J.	Jane Trainor	\$2,000.00 contribution on June 25, 2002	(Relative)
K.	Pam Amador	\$2,000.00 contribution on July 1, 2002	
L.	Pierre Amador	\$2,000.00 contribution on July 1, 2002	

4. Ms Schneider also received several large donations from members of her family which Ms. Schneider had lead me to believe were actually funds which were provided by her father, Harold Schneider, to the family members in order to circumvent campaign contribution limits.
5. During the couple of weeks prior to election day, Ms. Schneider received close to \$100,000.00 in credit card donations. A review of the reports filed fail to reflect the credit card processing fees which were charged to the campaign for each credit card donation processed. I would believe that the cost of such processing should be listed as an expense to

the campaign. Ms. Schneider had two credit card processing companies, both of which would have charged her account fees for their services.

6. Ms. Schneider's post-general and year-end reports do not list the approximately \$80,000.00 she has loaned her campaign, nor do they indicate any repayment of the same.
7. Ms. Schneider has failed to list Swain Film & Video as a creditor. According to Tony Swain, owner of Swain Video, they are owed \$1,527.96. And he has instructed his attorney to begin the collection process. Mr. Swain may be reached at 1404 South Tuttle Avenue, Sarasota Florida 34239 See copies of invoices attached hereto.
8. Ms. Schneider has failed to list as a debt payments due the United States Government for employer FICA and Medicare contributions due on behalf of her employee, Misty Smeltzer. Ms. Schneider will most likely claim that Ms. Smeltzer was an independent contractor; however, she has neither issued a form W-2 nor a 1099-MISC. Furthermore, I was well aware of the circumstances of Ms. Smeltzer's employment and at no time did she ever meet the test of an independent contractor as set forth by the I.R.S. Ms. Smeltzer has filed complaints with the I.R.S. as well as the State of Florida Department of Revenue. Ms. Smeltzer may be reached at PO Box 5265, Sarasota, FL 34277
9. Despite the fact that her campaign account was bankrupt and many creditors had not been paid, it appears that Ms. Schneider purchased and paid for a large screen television for her father, Harold Schneider, from campaign funds. The television set cost \$2,335.47 and the check was written on November 12, 2002. Ms. Schneider informed me she was planning on doing this prior to my leaving the campaign on November 1, 2002. It would appear that this is an improper use of campaign funds.
10. Ms. Schneider fails to mention in her reports the \$8,032.09 she owes Michael Shelton. On October 30, 2002, Mr. Shelton advanced the sum of \$8,032.09 to cover the cost of a political mailing which was scheduled to be mailed on Thursday, October 31, 2002. The advance was necessary due to the incapacity of the treasurer who was recovering from surgery as well the late date in the campaign. Mr. Shelton had full and complete authority to authorize the expenditure and did so. Any questions as to his authority to expend campaign funds in his sole and absolute discretion may be verified by contacting the campaign's prior treasurer, Carroll Johnson Ms. Schneider is now refusing to reimburse Mr. Shelton. Copies of the invoices are attached. Ms. Schneider's refusal to make reimbursement raises two issues:
 - A. The debt of \$8,032.09 is not listed on Ms. Schneider's campaign finance reports; and
 - B. The debt was an authorized expenditure of the campaign. At the time of the expenditure, Mr. Shelton was advised there were ample funds in the campaign account to reimburse Mr. Shelton so he made this personal expenditure with confidence that he would be reimbursed as soon as the treasurer was able to once again write checks. Subsequent thereto, Mr. Shelton left the campaign and Ms. Schneider refuses to authorize the reimbursement. Ms. Schneider's refusal to

reimburse Mr. Shelton makes the advance a campaign contribution well in excess of the statutory limits. Ms. Schneider will most certainly claim the advance was unauthorized; however, Mr. Shelton had full authority to approve all expenditures at the time. Furthermore, had Ms. Schneider not continued to spend campaign funds after November 1, 2002, without regard for the campaign bank balance, there would have been adequate funds to pay all creditors. For more details on this issue, see Item 11 below.

11. It appears that Ms. Schneider continued to spend money for unbudgeted campaign items after November 1, 2002 in which there were not sufficient campaign funds available to pay for the already incurred debts. These expenses were not budgeted, nor approved by Mr. Shelton prior to his leaving the campaign on November 1, 2002. Examples of these expenses which were not budgeted are as follows:

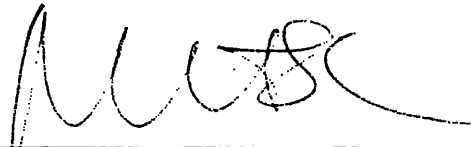
A.	Bradenton Herald	\$4,113.75	11-01-02
B.	JL Media	\$12,000.00	11-04-02
C.	Paige Mailing Services	\$4,778.00	11-01-02
D.	Target Graphics	\$2,019.10	11-01-02
E.	Expedite	\$17,410.52	After 11-01-02

12. Upon information and belief, Ms. Schneider has failed to list a debt of approximately \$2,500.00 due and payable to Election Mouse, the web site hosting company for the campaign. Upon his leaving the campaign on November 1, 2002 and after a payment of \$2,500.00 on October 28, 2002, Election Mouse was still owed approximately \$2,500.00. The owner of Election Mouse, Brian Reich, may be reached at 253 West 73rd Street, Suite 50, New York, New York 10023

13. It appears that numerous reimbursements to campaign staff were not properly reported, in that the reimbursements, due to the amounts paid to each individual, were not itemized as required by FEC regulations.

14. Ms. Schneider has listed "\$10,000.00 miscellaneous debts (not yet billed)" on her post-general and year-end reports. It is assumed that none of the aforesaid listed debts are included in this amount as all of the aforesaid items have been billed to Ms. Schneider and she is fully aware of the debts owed. It is my opinion that Ms. Schneider has intentionally omitted the questioned debts in an effort to conceal the true state of her campaign finances from her supporters.

I SOLEMNLY AFFIRM UNDER THE PENALTIES OF PERJURY THAT
THE CONTENTS OF THE FOREGOING AFFIDAVIT ARE TRUE TO THE
BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.



Michael J. Shelton

50th Anniversary

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My commission expires:



Debbie L. Roginski
MY COMMISSION # DD022349 EXPIRES
May 1, 2005
BONDED THRU TROY FAIN INSURANCE, INC.

SONENTHAL AND OVERALL, P.C.

1120 Nineteenth Street, N.W.

Suite 600

Washington, D.C. 20036

October 26, 2002

BY FIRST CLASS MAIL

Michael Shelton, Esq.
Schneider for Congress
5131 North Tamiami Trail
Sarasota, Florida 34234

Dear Mr. Shelton,

Over the past few weeks, Janet Hall has been trying to provide you with the information that you requested regarding the work she performed under her Letter Agreement with Jan Schneider. I have summarized that information in the attached table. I hope my presentation is clear and, on that basis, Ms. Schneider will remit to Ms. Hall the \$14,000 due to her under the Letter Agreement without further delay.

If you have any further questions, please leave me a voicemail message at 202.572.4566. I will be in trial over the next three to four days, but I will be checking my voicemail on a regular basis.

Sincerely,



Robert Sonenthal

SONENTHAL AND OVERALL, P.C.

1120 Nineteenth Street, N.W.

Suite 600

Washington, D.C. 20036

November 25, 2002

BY FEDERAL EXPRESS

Michael Shelton, Esq.
Schneider for Congress
5131 North Tamiami Trail
Sarasota, Florida 34234

Dear Mr. Shelton:

When we spoke by telephone on October 18, 2002, you asked me for a written statement of the amounts due to Ms. Hall under the Letter Agreement of April 17, 2002, between Ms. Hall and Ms. Schneider. You assured me, as you had assured Ms. Hall, that you would arrange for payment within "twenty-four hours" of your receipt of that statement. On October 28, 2002, I sent the requested statement by Federal Express to you at the above address.

It has now been four weeks since October 28 — and two weeks since Election Day — without any response from you or from Ms. Schneider. Ms. Hall cannot wait indefinitely for Ms. Schneider to honor her contractual obligations. Although the sum may seem small, Ms. Hall is perfectly willing to take formal action to recover it — and, if necessary, to contact each of the individuals whom she approached on Ms. Schneider's behalf between February and August in order to prove the amounts that are due.

Under the circumstances, if the amounts due are not paid by December 2, 2002, Ms. Hall will be forced to begin preparing for formal proceedings.

Please let me know whether you are acting on Ms. Schneider's behalf solely as Campaign Manager of Schneider for Congress, or whether you are also acting as Ms. Schneider's personal legal counsel in this matter.

Sincerely,



Robert Sonenthal

enclosure: a/s

Swain**Film & Video Inc.**Quality video productions for
business, industry and education.**Invoice**

DATE	INVOICE #
10/28/2002	8871

BILL TOJan Schneider Campaign
P.O. Box 57
Sarasota, FL 34230

TERMS	P.O. NO.			
DESCRIPTION		QTY	RATE	AMOUNT
4 hours @\$250 per hour		4	250.00	1,000.00
3 Digital tapes @\$26 each		3	26.00	78.00
Sales Tax			7.00%	75.46
On Camera Interview				
			Total	\$1,153.46

Please Make Checks Payable to:
Swain Film & Video
1404 S. Tuttle Ave.
Sarasota, FL 34239



941.365.8809
 Fax 941.365.6378
 2053 13th Street
 Sarasota, Florida 34237

INVOICE
Invoice Number:
36989
Invoice Date:
Oct 28, 2002

Sold To:
JAN SCHNEIDER FOR CONGRESS
P O BOX 57
SAASOTA, FL 34230-0057

Ship to:
PAGE MAILING

Customer ID		Customer PO	Payment Terms	
SCHNEIDERFORCONGRESS		TIM CAMERESI	Net 0 Days	
Sales Rep ID	Shipping Method	Ship Date	Due Date	
HOUSE	Best Way		10/28/02	
Quantity	Description		Extension	
30,000	POST CARD		1,796.00	

36989

TARGET GRAPHICS INC
 2053 13TH STREET
 SARASOTA, FL 34237
 941 365-8809

THANK YOU

DATE 10/29/02
 TIME 01:35 PM

ITEM: 002 UTS SALE

RESP: AUTH/TKT 029174

PHONE ORDER

PMT: \$1796.00
 TAX: \$125.72
 TOT: \$1921.72

I AGREE TO PAY ABOVE
 TOTAL AMOUNT ACCORDING
 TO CREDIT CARD AGREEMENT
 (MERCHANT AGREEMENT IF
 CREDIT VOUCHER)

SIGNATURE
 TOP COPY-MERCHANT BOTTOM
 COPY-CUSTOMER

JOB NUMBER:
31102

Subtotal	1,796.00
Sales Tax	125.72
Total Invoice Amount	1,921.72
TOTAL	1,921.72

ALL MAJOR CREDIT CARDS ACCEPTED

1754 8004 470 472

Page Mailing Services, Inc.

743 Gantt Ave
Sarasota, FL 34232-6703

Invoice

DATE	INVOICE #
10/30/2002	4700

BILL TO
Jan Schneider Micheal Shelton P.O. Box 57 Sarasota Florida 34230

		JOB NO.	TERMS
		16290-91-92-93	Due on receipt
QUANTITY	DESCRIPTION	RATE	AMOUNT
	Direct mail		
	Sarasota Mail		
	Postage Used	9,853.86	9,853.86
	All computer and mail processing	2,100.00	2,100.00T
	Manatee Mail		
	Postage Used	9,853.87	9,853.87
	All computer and mail processing	2,100.00	2,100.00T
	Social Security		
	Postage Used	4,986.87	4,986.87
	All computer and mail processing	1,050.00	1,050.00T
	Sales Tax	7.00%	367.50
		Total	\$30,312.10

Visit our Internet website at www.pagedirect.com
Phone 941-377-2673 FAX 941-371-1844